



# Iowa Department of Human Services

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## INFORMATIONAL LETTER NO.1488

**DATE:** March 6, 2015

**TO:** Iowa Medicaid Community Mental Health Centers (CMHCs)

**FROM:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**RE:** Alternative Reimbursement

**EFFECTIVE:** April 1, 2015

In accordance with the Legislative mandate under the 2014 Iowa Acts, Chapter 1140, Section 61 (House File 2463; amending 2013 Iowa Acts, Chapter 138, Section 29, Subsection 1), the IME will allow CMHCs to choose between two reimbursement methods beginning with state fiscal year (SFY) 2015 and effective July 1, 2014.

CMHCs may choose to be reimbursed for the services provided to recipients of medical assistance through either of the following options:

1. One hundred percent of the reasonable costs of services, as reflected through cost reports.
2. In accordance with the alternative reimbursement rate methodology (i.e., fee schedule) established by the medical assistance program's managed care contractor for mental health services (Magellan).

Once a CMHC elects one of the two methodologies listed above, that will be the CMHC's payment methodology standard for services under both the Iowa Plan and fee-for-service Medicaid (IME). Furthermore, and as reflected in applicable rules under 441 Iowa Administrative Code 79.1(25)"b", once a CMHC elects the alternate reimbursement methodology, it may not change back to 100 percent cost-based reimbursement at a later date.

Effective April 1, 2015, all CMHCs will be required to submit claims to the IME with the appropriate modifier(s) listed below.

- AF – Specialty Physician
- HO – Masters Degree Level
- HP – Doctoral Level
- SA – Advanced Registered Nurse Practitioner (ARNP)
- TD – Registered Nurse (RN)
- TF – Intermediate Level of Care/RN
- TG – Complex/High Tech Level of Care
- U1 – Medicaid Care Level 1, as defined by each state
- U2 – Medicaid Care Level 2, as defined by each state
- U3 – Medicaid Care Level 3, as defined by each state

The IME claims processing system has been updated effective July 1, 2014, to reflect the correct reimbursement rates for each modifier. All claims received on or after April 1, 2015, with a date of service on or after July 1, 2014, will be paid at the updated rates. The IME is allowing CMHC providers to adjust any previously paid claims that contain July 1, 2014, through March 31, 2015, dates of service for an updated payment. Providers may electronically adjust claims or follow the paper adjustment process.

The IME appreciates your partnership as we work to improve claim processing. If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, or locally in Des Moines at 515- 256-4609 or by email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).